

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1939

ENROLLED

Comm. Sub for

SENATE BILL No. 207

(By Mr. Ealy)

PASSED March 10th 1939

In Effect From Passage



ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 207
(BY MR. EALY, by request)

[Passed March 10, 1939; in effect from passage.]

AN ACT to amend and reenact sections six, seven, thirty-one, thirty-two, thirty-three and thirty-four, article eight, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, relating to fraternal beneficiary societies.

Be it enacted by the Legislature of West Virginia:

That sections six, seven, thirty-one, thirty-two, thirty-three, and thirty-four, article eight, chapter thirty-three of the code of West Virginia be amended and reenacted to read as follows:

Section 6. *Persons Who May Be Beneficiaries of Death*

2 *Benefits.* No beneficiary shall have or obtain any vested
3 interest in the proceeds of any certificates until such cer-
4 tificates become due and payable in conformity with the pro-
5 visions of the insurance contract. The insured member
6 shall have the right at all times to change the beneficiary or
7 beneficiaries in accordance with the constitution, by-laws, rules
8 and regulations of the society. Every society may, by its
9 constitution, by-laws, rules or regulations, limit the scope of
10 benefits.

Sec. 7. *Qualifications for Membership.* Any society may
2 admit to beneficial membership any person not less than six-
3 teen and not more than sixty years of age at nearest birth-
4 day, who has been examined by a legally qualified physician,
5 and whose examination has been supervised and approved in
6 accordance with the laws of the society, or who has made dec-
7 laration of insurability acceptable to the society, and any
8 person so admitted prior to attaining the full age of twenty-
9 one years shall be bound by the terms of his or her application
10 and certificate, and by all the laws, rules, and regulations of

11 the society, and shall be entitled to all the rights and privileges
12 of membership therein, as fully and to the same extent as
13 though he or she were not a minor at the time of applying for
14 such beneficial membership: *Provided*, That any beneficial
15 member of a society who shall apply for additional benefits
16 more than six months after becoming a beneficial member,
17 shall pass an additional medical examination or make an ad-
18 ditional declaration of insurability, as required by the so-
19 ciety. Nothing herein contained shall prevent such society
20 from accepting general or social members, who shall have no
21 voice or vote in the management of the insurance affairs of
22 the society, nor from issuing juvenile certificates on the lives
23 of children under the age of sixteen years.

Sec. 31. *Child Insurance*. Any fraternal benefit society
2 authorized to do business in this state may provide in its
3 constitution or by-laws, in addition to other benefits pro-
4 vided for therein, for the payment of insurance, endow-
5 ment and annuity benefits, in accordance with the pro-
6 visions of this chapter, upon the lives of children not more
7 than sixteen years of age at nearest birthday, upon the ap-

8 plication of some adult person upon whom such child is de-
9 pendent for support and maintenance, as the laws, rules and
10 regulations of the society may provide.

Sec. 32. *Children's Branches Allowable; Initiation Not Re-*
2 *quired.* Any such society may, at its option organize and op-
3 erate branches for such children, and membership in local
4 lodges or branches and initiation therein shall not be required
5 of such children, nor shall they have any voice in the man-
6 agement of the society.

Sec. 33. *Basis of Rates on Child Insurance; Use of Funds.*
2 Every such society insuring the lives of children shall require
3 contributions to be made for the benefits provided upon such
4 lives in amounts at least equal to those required by either
5 the Standard Industrial Mortality Table or the American
6 Experience Table of Mortality with Craig's or Buttolph's ex-
7 tension thereof, with interest assumption of not more than
8 four per centum per annum: *Provided,* That contributions
9 may be waived or returns may be made from any surplus held
10 in excess of reserve and other liabilities, as provided in the
11 laws of the society; and, *Provided further,* That extra con-

12 tributions shall be made if the reserves hereinafter provided
13 for become impaired. Any such society may provide in its
14 constitution or by-laws that mortuary payments, meaning that
15 portion of contributions allocated to the mortuary fund and
16 to the reserves on outstanding insurance certificates received
17 under new certificates issued on and after January first, one
18 thousand nine hundred thirty-nine, covering the lives of chil-
19 dren, may be mingled with the mortuary or reserve funds held
20 on classes of adult certificates on which adequate reserves are
21 maintained not lower than those required herein. Except as
22 hereinafter provided, every such society shall maintain the
23 mortuary and reserve funds on insurance, endowments and
24 annuities on the lives of children, and the secretions thereto,
25 separate and distinct from all other funds of the society, and
26 the same shall be held as a trust fund available exclusively
27 for the payment of benefits under such certificates.

Sec. 34. *Amount of Child Benefits Allowed.* (1) Every
2 such society issuing such benefit certificates shall maintain on
3 all such certificates the reserves required by the standard of
4 mortality and the rate of interest adopted by such societies for
5 computing contributions.

6 (2) Any such society may provide that when a child who
7 is eligible for benefit membership reaches a minimum age for
8 such membership, such child may be so admitted into such
9 society upon compliance with such requirements as may be
10 provided by the laws of the society, and upon such admission
11 any reserve upon such juvenile certificate shall be transferred
12 to the benefit or reserve fund of the society.

13 (3) Every society issuing such benefit certificates shall
14 have the right to provide in its constitution, by-laws, rules and
15 regulations for payments on account of the society's expense
16 or general fund, which payments may be mingled with the
17 general fund of the society. The society shall have the power
18 to provide for the designation of beneficiaries, and for chang-
19 ing such designations, and in all other respects for the regu-
20 lation, government and control of such certificates, and all
21 rights, obligations and liabilities incident thereto and con-
22 nected therewith.

23 (4) Neither the person who originally made application for
24 benefits on account of any child, nor the beneficiary named in
25 such beneficiary certificate, nor the person who paid the con-

26 tributions shall have any vested right in such certificate, or
27 in any new certificate issued to any child.

28 (5) All acts and parts of acts in conflict herewith are
29 hereby repealed.

I certify that the foregoing bill has been presented to the Governor for his approval, and not having been approved by him to the House of the Legislature, which is originated within the time prescribed by the constitution of the State, and has become a law without his approval.

Witness my hand and seal this _____ day of _____ 19____

18

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

E. O. Wiseman

Chairman Senate Committee

Bob G. Walter

Chairman House Committee

Originated in the Senate

Takes effect Three passage.

Abraham R. ...

Clerk of the Senate

Geo. S. ...

Clerk of the House of Delegates

Wm. ...

President of the Senate

James ...

Speaker House of Delegates

I certify that the foregoing act, ~~having~~ ^{being} been presented to the Governor for his approval, and not having been returned by him to the House of the Legislature in which it originated within the time prescribed by the constitution of the state, has become a law without his approval. ~~1939.~~ this the _____ Governor.

This the 17th day of March, 1939

Wm. S. ...

SECRETARY OF STATE